of India (CAG) has in a report indicted the special waiver of term loans and interests given to Punjab Government.

(b) if so, the details of the objections raised by the CAG with regard to the waiver;

(c) the circumstances in which the waiver was made and the authority which ordered the same; and

(d) what action is proposed to be taken to meet the objection of the CAG?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) and (d) The Report of the Comptroller and Auditor General of India for the year 1997-98 (No. 1 of 1999) contains (*vide* Chapter X) Audit comments on the waiver of special term loans payable by the Government of Punjab to Government of India.

The Audit Report is under examination by the Public Accounts Committee.

Residuary non-banking companies in the country

2045. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) and (b): Financial Institutions do not generally sell shares/debentures to non-institutional buyers except in cases of sickness, merger, management change and promoters with whom buy-agreement and/or 'first right of refusal' agreement has been entered into at the time of investment itself. Such disinvestment is made on commercial considerations with the objective of recycling of funds taking into account the market conditions and other related factors.

CAG's objections to special waiver of loans to Punjab Government

2044. SHRI P. PRABHAKAR REDDY: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that the Comptroller and Auditor General

Cut in the rate of interest on provident fund

2042. SHRI J. CHITHARANJAN: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to cut the rate of interest on Provident Fund from 12 to 10 per cent; and

(b) if so, the details thereof and the reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) and (b) As of now, no such proposal is under consideration of the Government.

Free hand to the FIs to divest their stakes in companies

2043. SHRI J CHITHARANJAN:
SHRI JALALUDIN ANSARI:

Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government had decided not to interfere with any decision of the financial institutions to divest stake in any company in the open market; and

(b) if so, the details thereof and the reasons therefor?

(a) the names of five largest Residuary Non-Banking Companies in the Country;

(b) the number of occasions when the Reserve Bank of India had issued directives against them during the last five years pursuant to structures in the court or otherwise together with directives issued, structures passed and the name of the concerned company; and

(c) the follow-up action taken against the errant company from time to time during the last five years together with the results thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) :(a) As reported by Reserve Bank of India, five largest Residuary Non-Banking Companies in the country are:

(i) The Peerless General Finance and Investment Co. Ltd. Calcutta